

# USDA



## Nebraska Farm Service Agency

# Producer News

April 2006

### SED Comments

Last fall, Teresa Lasseter was named administrator of USDA Farm Service Agency. Because of her extensive career with the agency beginning as a program technician in a Georgia county office and now as the current head of the agency, she is respected as someone with extensive knowledge of FSA.



**Brian Wolford**  
State Executive Director

In January 2006, Teresa met with Senate and House Ag and Appropriation Committee staff to explain that she intends to have open communication with Congress regarding FSA. She explained that tightening resources have left some very real challenges across the country and outlined the direction she planned to give to states.

On Jan. 13, Mrs. Lasseter sent a letter to all state directors asking for a review of state operations to determine ways to improve efficiency and effectiveness and to determine what the optimum network of facilities, staffing, training and technology would be for each state within current available resources.

She emphasized that this review process was a local-level, independent approach that had no nationally-determined criteria, no target numbers and that allowed states to come up with their own proposals to address individual state challenges.

Our staff does a tremendous job in Nebraska. Their desire and passion to serve producers is unmatched, and I am very proud of them. Just like farmers, ranchers or any other business, FSA is constantly looking for ways to do things better.

Whether we find ways to stretch our budget dollars, reduce paperwork or provide better support to our staff, we must constantly look for ways to improve.

One of our most significant challenges today is keeping offices adequately staffed to handle our current workload. Fifteen years ago, Nebraska had 280 more FSA employees than we have today, and we have maintained almost the same number of offices.

Today, there are 37 fewer county office positions than three years ago, which means that when an employee retires in your local office, we may not be able to replace that person. We owe it to our staff and to producers to take a comprehensive look at ideas to help our staff meet your needs.

In the past 45 days, we have openly communicated our process and received input and ideas prior to beginning our state review. We provided two distinct opportunities to meet in person with all 300 of our farmer-elected county committee members.

Meetings were also held with Congressional staff, state senators, state and federal agency leaders and commodity and livestock groups to inform them about our process and to provide the opportunity for input and suggestions prior to the start of this state review process.

One important point we emphasized in these meeting was this: If service changes are proposed for a county office, all producers in the affected county will have an opportunity to choose from which neighboring FSA office they want to be served.

Our sister agencies are undertaking similar processes. USDA Natural Resources Conservation Service is currently in the process of reviewing their office operations. USDA Rural Development is concluding their office consistency plan, which began several years ago. We will communicate and coordinate with our sister agencies in our review process as well.

The next step in this process is to listen to the ideas and suggestions provided, and then we can start to develop our approach to the review of state operations in Nebraska.

## CRP "REX"

If you are a Conservation Reserve Program participant who has a contract expiring on Sept. 30, 2007, you should have received a letter from the county office staff explaining your options under "REX," the 2007 CRP contract re-enrollment and extension program. *This is a time-limited offer, and you should respond to the county office staff by the close of business on April 14, 2006.*

Eligible CRP participants have the option of accepting a new 10- or 15-year CRP contract or extending the current contract for up to five years. Which option is available depends upon the Environmental Benefits Index score of the expiring CRP contract.

Our national office staff arrayed the EBI scores into five tiers or quintiles. Contracts with EBI scores in the top quintile (the top 20 percent of all EBI scores) can be re-enrolled in new 10- or 15-year contracts. Contracts that include conservation practice 23, wetlands restoration, can be re-enrolled in new 15-year contracts.

Landowners with contracts ranking in the second quintile can extend their CRP contracts for five years; those ranking in the third quintile can extend for four years; those in the fourth quintile can extend for three years; and those in the bottom quintile can extend for two years.

No contract can be extended beyond 15 years. For example, a 12-year CRP

contract cannot be extended for four or five years, even if it were in the second quintile, because that would exceed the maximum 15-year contract length permitted by statute. Such contracts could be extended for a maximum of three years.

Most aspects of the offers made to participants cannot be changed. You cannot add additional land, increase or decrease the extension time or extend a contract rather than enter into a new contract. However, you can elect to re-enroll or extend all or any portion of the expiring contract.

If you accept the offer to re-enroll land or extend your existing contract, you will be required to have a compliance review of the existing contract. This is to ensure that your contract complies with the conservation plan and the control of noxious weeds and invasive plants.

You will be assessed a flat fee of \$45, plus \$1 per acre, for the compliance review.

For detailed information, contact the staff at your local Farm Service Agency county office.

## CRP General Sign-Up 33

Conservation Reserve Program general sign-up 33 is underway. Sign-up started on March 27 and will end on April 14. To submit CRP offers, you must visit your local Farm Service Agency county office.

Land not currently enrolled in CRP may be offered for enrollment during CRP sign-up 33. In addition, CRP participants with contracts expiring on Sept. 30, 2006, may submit offers.

To be eligible for enrollment, the land must be either cropland (including field margins) that is planted or considered planted to an agricultural commodity four of the six crop years from 1996 to 2001, and that is physically and legally capable of being planted in a normal manner to an agricultural commodity or certain land devoted to hardwood trees that was under CRP contract that expired on Sept. 30, 2001, or earlier.

In addition to the eligible land requirements, cropland must meet one of the following criteria: have a weighted average erosion index of eight or higher; be expiring CRP acreage; or be located in a national or state CRP conservation priority area.

To be an eligible producer, you must have owned or operated the land to be enrolled for at least 12 months prior to the end of the CRP sign-up period, unless: you acquired the land due to the death of the previous owner; the ownership change occurred due to foreclosure where the owner exercised a timely right or redemption in accordance with state law; or the circumstances of the acquisition present adequate assurance to the Farm Service Agency that you did not acquire the land for the purpose of placing it in CRP.

Our national office staff will rank offers according to the Environmental Benefits Index. After the sign-up ends, they will decide where to make the EBI cutoff. Those who have met previous sign-up EBI thresholds are not guaranteed a contract under this sign-up. You may consult with local USDA experts on how to maximize EBI points and increase the likelihood that your offer will be accepted.

Details on sign-up 33 and EBI are available from the staff of your local

### Nebraska Farm Service Agency

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Doy Unzicker, Price Support Programs

FSA county office. Fact sheets are also available online at our national Web site, <http://www.fsa.usda.gov>.

## **MILC Extension**

Congress extended the Milk Income Loss Contract Program, with some minor changes, until Sept. 30, 2007. Sign-up is underway for the program, referred to as MILCX, at Farm Service Agency county offices across the state.

There are two sign-up periods. The initial period began March 13 and ends May 17. The extended sign-up period begins May 18 and continues throughout the duration of the MILCX program, ending on Sept. 30, 2007.

When signing up for the program, you must select a month of commercially marketed production when the Commodity Credit Corporation will begin issuing payments to your operation.

If you sign up during the initial period, you can select as your starting month:

- any month beginning October 2005 through May 2006, in which a payment rate was in effect, or
- from any month beginning June 2006 through September 2006, for which the payment rate is not known.

If you sign up during the extended sign-up period (May 18 and later), you can select:

- the month the contract is submitted, or
- from the remaining months in the fiscal year in which a contract is submitted for which the payment rate is not known.

Beginning with the start month you selected, MILC payments will be issued based on the selected months'

production and for each consecutive month's production thereafter, with a payment rate in effect, until the maximum payment quantity of 2.4 million pounds is reached, or the applicable fiscal year ends, which ever comes first.

When the Boston Class I milk price falls below \$16.94, payments kick in. Payments are calculated by subtracting the BCI milk price per hundredweight from \$16.94. From Oct. 1, 2005, to Aug. 31, 2007, the difference is multiplied by 34 percent.

From Sept. 1, 2007 to Sept. 30, 2007, the difference is multiplied by 0 percent.

For details on the MILCX program, contact the staff at our local FSA county office.

## **Acreage Reporting for FSA Programs**

Acreage reporting time is here. Please remember that filing an accurate acreage report for all crops and land uses, including failed acreage and prevented planting acreage, can prevent the loss of benefits for a variety of programs.

Failed acreage must be reported within 15 days of the disaster event and before disposition of the crop. Prevented planting must be reported no later than 15 days after the final planting date.

Acreage reports are required if you want to be eligible for Farm Service Agency programs. On crops for other than NAP (Noninsured Crop Disaster Assistance Program) purposes, acreage reports are to be certified by June 30 for small grain and July 15 for all other crops.

Acreage reports on crops for which NAP assistance may be paid are due in the county office by the earlier of June 30 for small grain and July 15 for all other crops, or 15 calendar days

before the onset of harvest or grazing of the specific crop acreage being reported.

## **Changes in Farming Operations**

If you have bought or sold land, or if you have picked up or dropped rented land from your operation, make sure you report the changes to your Farm Service Agency office staff as soon as possible. You need to provide a copy of your deed or recorded land contract for purchased property.

## **GIS Acreage Reports**

All Farm Service Agency offices in Nebraska are using the Geographic Information System Land Use Acreage Reporting software application to take 2006 acreage reports. Nebraska has piloted the application in selected offices in 2004 and 2005. This will be the first year the pilot will be expanded to all offices in the state.

This system utilizes the Common Land Unit layer along with the previous year's digital imagery in GIS to take an acreage report. Crop field boundaries are drawn in using the GIS Land Use Acreage Reporting software based upon the information provided by farmers.

Moving to the new reporting system will help improve the accuracy of acreage reports. You can review current CLU field boundaries and the image of how fields were cropped in the previous years. The system will automatically calculate acres for all fields. Acreage reported by the producer will still be accepted.

Taking acreage reports through the Land Use system creates a permanent layer of the year's cropping history for the county. The acreage reporting history is also saved from year to year and can be rolled over if there are no changes to fields.

## Reporting Farm Changes

Program participants are responsible for notifying the Farm Service Agency of all changes in their farming operations or entity status. These changes may affect previous payment eligibility and payment limitation determinations.

Changes that need to be reported include, but are not limited to, a change in lease arrangements for land or equipment, changes in sources or contributions of labor and management, changes in sources or contributions of operating capital, additions or deletions of farms in the farming operation, changes in farming interests of a spouse or minor child and changes in entity interests, including members' shares.

FSA must be informed anytime a new entity is established that assumes an interest in the farming operation. This includes entities such as corporations and revocable trusts, where the individual is a member of the entity.

Failure to represent accurately a farming operation's structure, or inputs of capital, land, equipment, labor and management, can result in a determination of ineligibility and demand for refund of FSA payments.

Participants should visit their local FSA office staff anytime changes occur and report them by filing a new or revised CCC-502, Farm Operating Plan.

## Signature Requirements

Proper signatures on Farm Service Agency contracts, applications and forms must be submitted before the document will be considered as filed.

All entities, including revocable and irrevocable trusts, corporations, partnerships, estates, etc., must provide evidence of signature authority stipulating those individuals who are authorized to represent the entity.

FSA cannot accept signatures without such documentation on file. Examples

## Dates to Remember

May 29	Memorial Day Holiday. FSA offices closed.
May 31	Final date to apply for the Hard White Wheat Program.
May 31	Final application date for 2005 commodity loans and LDPs on feed grains, soybeans and pulse crops.
June 1	Final date to sign 2006 Direct and Counter-cyclical Payment Program contract.
June 30	Final certification date for small grains.
July 4	Independence Day Holiday. FSA offices closed.
July 15	Final certification date for all crops except small grains.
Aug. 1	Final date to request a farm reconstitution.
Sept. 1	NAP final application date for value loss crops, nursery crops, turf grass sod, Christmas trees and aquaculture.
Sept. 30	NAP final application date for alfalfa, mixed forage, fall seeded annual crops (rye, wheat and triticale) and grass.

of acceptable evidence include trust agreements, corporate charters or resolutions, partnership agreements and court orders of appointment.

Spouses can sign for one another on most program documents unless written notification denying a spouse this authority has been provided to the county office staff.

An FSA-211 may be filed to delegate signature authority for FSA program purposes to another individual.

## DCP Sign-Up Continues

The Direct and Counter-cyclical Payment Program sign-up period for fiscal year 2006 continues to June 1, 2006.

The CCC-509 form, "Direct and Counter-Cyclical Program Contract," includes base acres, payment acres, payment yields, producer payment shares, advance direct and counter-cyclical payment selections and signatures of the operator, owner(s) and Farm Service Agency representative.

The CCC-509 must be submitted by June 1, 2006. **All owners and operators** who will share in the DCP payments on the farm must sign the CCC-509.

Forms with signatures that are obtained after June 1, 2006, but before Sept. 30, 2006, will be accepted, but the farm will be assessed a late-filed fee of \$100.

If there are changes in who will have a risk in crops produced on the farm, these must be reported prior to Sept. 30, 2006, or the contract is at risk of being invalid with refund of all payments being required.

Changes in producers on the farm after enrollment may affect all parties involved, including producers who no longer have an interest, as well new producers on the farm. **All changes in interest on the farm should be made known to your FSA office staff.**

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Producers must file (or have on file a current version of) the following documents to be eligible for DCP payments: the CCC-509, a Farm-Operating Plan (CCC-502 and related forms), an Average Adjusted Gross Income Certification (CCC-526), and a Highly Erodible Land Conservation and Wetland Conservation Certification (AD-1026). A Report of Acreage (FSA-578) of all cropland on the farm is needed by the acreage reporting deadlines before final payments can be issued.

## **FSA Farm Loans Available**

Any farmer or rancher who may need a Farm Service Agency guaranteed loan or a direct loan must apply as early as possible because some FSA loan programs may not have adequate funds for the entire year. To inquire for a loan, you should contact the local FSA county office staff where you plan to farm or ranch.

Nebraska lenders can submit guaranteed loan requests to help existing or beginning farmer or rancher customers. The FSA guaranteed loan program allows lenders to extend terms longer than normal, which may allow for a positive cash flow.

Guaranteed farm ownership loans are available to purchase or refinance debts for terms of 15 to 40 years, and operating loans are available to purchase or refinance chattels for terms up to seven years. Five-year line-of-credit guaranteed loans are available for annual operating expenses.

On term operating loans and line-of-credit loans, interest assistance is available to reduce the interest by 4 percent for customers who are unable to repay at the regular interest rate. Also, balloon payments can be scheduled on operating loans if a longer amortization is needed and there is real security or stock cows available for security.

## **Beginning Farmer, Rancher Loans**

Beginning farmers or ranchers can get a “regular” farm ownership loan by using funds set aside especially for them by the Farm Service Agency. These loans finance up to 100 percent of the land’s purchase price (up to the \$200,000 loan limit), and the term of the loan can be up to 40 years.

The interest rate can be either the “regular” rate of 5.125 percent (as of March 1, 2006) or the “limited resource” rate of 5.00 percent (as of March 1, 2006).

The regular farm ownership loan funds may also be used in joint financing where FSA lends up to 50 percent of the amount financed and another lender provides 50 percent or more. FSA may charge an interest rate of not less than 4 percent with terms up to 40 years.

**Qualification:** Beginning farmer applicants must have been farming for at least three years and not more than 10 years. Applicants cannot own real estate that exceeds 30 percent of the average farm size for the county.

To apply for a loan, you should contact the local FSA county office staff where you plan to farm or ranch.

## **Beginning Farmer Down Payment Ownership Program (10-40-50)**

**Purpose:** Obtain help financing the purchase of a farm up to \$250,000 of the purchase price or the appraised value whichever is less. The applicant must put down 10 percent. The Farm Service Agency finances up to 40 percent of the purchase price. The remaining 50 percent of the purchase price can be financed on contract with the seller or through a conventional lender. The lender can obtain a guarantee from FSA if the customer is eligible.

**Rates:** The FSA loan for 40 percent will be locked in for the full 15 years. Currently the rate is 4 percent. The loan for the balance of 50 percent

should be the rate the contract holder or lender would charge an average customer.

**Qualification:** Beginning farmer applicants must have been farming for at least three years and not more than 10. Applicants cannot own real estate that exceeds 30 percent of the average farm size for the county.

## **Direct Operating Loans**

**Purpose:** Obtain up to \$200,000 to finance your farm business. This includes annual operating and family living expenses, machinery or breeding livestock purchases, refinance debts other than Farm Service Agency (incurred for authorized operating purposes) and real estate improvements or repairs (limited to \$15,000 per year).

**Rates:** The interest rate is the rate in effect at the time of loan approval or loan closing whichever is lower. Rates are posted on a monthly basis. The current interest rate (March 1, 2006) is 4.875 percent. Refer to FSA staff for information.

**Terms:** The term of the loan cannot exceed seven years from the date the loan is closed.

## **Guaranteed Loans**

**Purpose:** Obtain up to \$852,000 in Guaranteed Farm Ownership and/or Farm Operating loans. Funds can be used to purchase or enlarge a farm, refinance debt or for most operating uses.

Under this program your local lender makes the loan and the Farm Service Agency provides a guarantee of up to 95 percent (depends on the circumstances) on the loan. This allows your local lender to continue to help you even if you are experiencing a decline in your financial condition.

**Rates:** The interest rate is negotiated with the lender but should not exceed

the rate charged to their average customers. You could qualify for Interest Assistance (4 percent rate reduction) if your cash flow shows the need. If you qualify for the 4 percent reduction, it will be reviewed yearly until your cash flow shows sufficient improvement to pay the full rate.

**Terms:** Loans for real estate can be amortized for up to 40 years and for chattel up to seven years.

### ***Attention Socially Disadvantaged Farmers***

The Farm Service Agency has a number of loan programs available to assist applicants to begin or continue in agriculture production. Loans are available for operating type loans and/or purchase or improve farms or ranches.

While all qualified producers are eligible to apply for these loan programs, FSA has provided priority funding for Socially Disadvantaged Applicants.

A socially disadvantaged applicant is one of a group whose members have been subjected to racial, ethnic or gender prejudice because of his or her identity as members of the group without regard to his or her individual qualities.

For purposes of this program, socially disadvantaged groups are women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans and Pacific Islanders.

If producers or their spouses believe they would qualify as socially disadvantaged, they should contact their local FSA office staff for details. FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

## ***Emergency Loans***

**Purpose:** The Farm Service Agency may make Emergency Loans, or EM loans, to eligible family farmers that will enable them to return to their normal operations if they sustained qualifying losses resulting from natural disasters. To be eligible for these loans, you have to have farmed in a county designated as a disaster area.

**Rates:** The interest rate for the emergency loan is 3.75 percent.

**Terms:** Most EM loans may be for up to seven years; however, if the loan is secured only on crops, it must be repaid when the next crop year's income is received. Loans to replace fixtures to the real estate may be scheduled for repayment up to 40 years.

**Deadline:** The final date for making an application for an EM loan is eight months after the disaster is declared.

## ***Conservation Compliance***

The Food Security Act of 1985, as amended by the Food, Agriculture, Conservation and Trade Act of 1990, and the Federal Agricultural Improvement Act of 1996, discourages the production of crops on highly erodible cropland unless the land is protected from erosion by an approved conservation system.

Status reviews are conducted to ensure producers follow a conservation plan, or system, on highly erodible land.

In addition to the highly erodible land, a person may not plant an agricultural commodity on wetland converted after Dec. 23, 1985, or convert a wetland to make agricultural production possible after Nov. 28, 1990.

Failure to comply with these provisions will cause a person to be ineligible for USDA benefits. Farm Service Agency county committees

may review noncompliance situations for good faith and provide relief in approved cases.

## ***Deadline to Provide 2005 Production Records for NAP Purposes***

In order for producers to qualify for 2005 Non-insured Crop Disaster Assistance Program (NAP) benefits, they are required to certify or provide crop production history and report current crop year production on or before the immediately subsequent crop year acreage reporting date for the crop (i.e. for small grain crops the reporting date is June 30, 2006, for all other crops the reporting date is July 15, 2006, except for grazed forage, controlled environment crops, and value loss crops).

Failure to report production by the production-reporting deadline shall result in the disapproval of any CCC-576, Application for NAP Payment, associated with the current year's production.

## ***Maintaining Beneficial Interest***

Marketing assistance loans and loan deficiency payments can mean the difference between a good year and a not-so-good year. With that in mind, it's important to comply with the rules, especially the rule regarding beneficial interest.

To be eligible for loans and LDPs, you must have beneficial interest in the commodity and, in the case of a loan, you must retain beneficial interest while the loan is outstanding.

Beneficial interest means retaining the ability to make all daily decisions about the commodity, being responsible for loss or damage to the commodity and maintaining title to the commodity. When a producer receives payment for the commodity is only one consideration. Once

beneficial interest in a commodity is lost, the commodity is ineligible for loan or LDP — even if you regain beneficial interest.

Delivery of a commodity to a location not under the control of the producer or to other than an approved warehouse will result in the loss of beneficial interest.

The delivery to an entity such as a dairy, feedlot, ethanol plant, feed mill, wool pool or unapproved storage facility will result in the loss of beneficial interest as of the date of delivery, regardless of other actions or agreements between such entity and the producer.

### **Removing CCC Loan Collateral**

Producers are reminded, if you have grain under Commodity Credit Corporation loan, it cannot be removed or disposed of without prior county office staff authorization or repayment.

The county office staff may issue release authorizations based on a telephone or in person request when you are ready to move the grain.

A loan violation is subject to monetary and administrative penalties, such as repaying the loan at principal plus interest, liquidated damages, calling the loan and denial of future farm-stored loans and loan deficiency payments.

All commodity loans are subject to spot check. Locking in a market loan repayment rate is not a marketing authorization. If you are planning to move CCC loan grain, contact the county office staff for additional information.

### **Deadline for Loans, LDPs**

May 31 is the final availability date for requesting a commodity marketing

assistance loan or loan deficiency payments for 2005 crop year corn, grain sorghum, soybeans and oilseeds.

To qualify for loans, you must retain beneficial interest in the commodity from the time of harvest through the date the loan is redeemed or the

Commodity Credit Corporation takes title to the commodity.

For LDPs, you must retain beneficial interest in the commodity from the time of harvest through the date the LDP is requested.

## **2005 2<sup>nd</sup> Advance Counter-cyclical Payments**

The 2002 Farm Bill provides for counter-cyclical payments for covered commodities. Advance counter-cyclical payments are issued in October and February following the crop year. Producers are eligible for:

- 35 percent of the difference between the effective price and the target price in October;
- 70 percent of the difference between the effective price and the target price in February, minus the first advance, if the producer took a first advance.

**2005 Crops and Rates.** The following table shows crops that received a second advance CC payment and the payment rate for that crop. 2005 crops that have been determined to receive a second advance CC payment are eligible for payment because the effective price is below the target price.

The effective price equals the direct payment rate, plus the higher of the national average loan rate or the national average price received by producers. The second advance CC payment rate is 70 percent of the result of the target price minus the effective price.

The table shows the payment rate calculation for Nebraska's eligible crops. Based on current market conditions, wheat, soybeans and oats are not eligible for advance CC payments.

Item	Corn \$ per bu	Sorghum \$ per bu	Barley \$ per bu
<b>Target Price</b>	2.63	2.57	2.24
National average loan rate	1.95	1.95	1.85
Projected national average price received by producers	1.90	1.70	1.80
Higher of loan rate or price received by producers	1.95	1.95	1.85
Direct payment rate	0.28	0.35	0.24
<b>Effective Price</b>	2.23	2.30	2.09
<b>2nd Advance Counter-cyclical Payment Rate</b>	0.2800	0.1890	0.1050
<b>Less 1st Advance</b>	0.1400	0.0945	0.0525
<b>Equal Balance (if 1st advance received)</b>	0.1400	0.0945	0.0525

The quantity of a commodity pledged as collateral for a nonrecourse loan must satisfy CCC's minimum grade and quality requirements. These requirements are not in place for LDPs.

You do not have to participate in the Direct and Counter-cyclical Payment Program to be eligible for loans or LDPs, but the crop must have been certified.

### ***Substituted Grain Ineligible For Loan or LDP***

Substituted grain is not eligible for price support. If a commodity pledged as collateral for loan or loan deficiency payment is not the grain produced and harvested by the eligible producer, but was exchanged for a commodity produced and harvested by the eligible producer, it is ineligible for price support because it is considered a substitution of grain.

An example would be when grain is shipped directly off the farm by the elevator but is not physically dumped or deposited at that elevator but delivered to the ethanol plant in the name of the elevator.

This is called direct delivery and beneficial interest is lost when the grain was picked up. If the producer is given a storage position at the elevator where the grain was not physically dumped, that grain would be ineligible for price support because it is considered a substitution of the grain.

### ***Request For LDP Benefits***

The CCC-633 EZ is a two-part, multi-page form available to producers to request LDP benefits. The CCC-633 EZ is made up of:

Page 1 of the EZ form includes terms and conditions, and indicates your intention to request and receive loan deficiency payment benefits. Page 2 is

applicable request for feed grains, wheat, minor oilseeds, rice and pulses. Page 3 is applicable to cotton. And, page 4 is applicable to wool, mohair and unshorn pelts.

The page 1 indicates your intention to receive LDP benefits before losing beneficial interest. Depending on your commodity, pages 2 through 4 of the CCC-633 EZ must be completed to request the actual LDP benefit. The LDP rate will be based on the earlier of the date beneficial interest is lost or the LDP request date. The CCC-633 EZ must be completed to receive LDP benefits.

**For the 2006 crop year, the CCC-633 LDP and CCC-709 forms will be obsolete. The CCC-633 EZ will be the only LDP form accepted.** Both parts of the form must be submitted in order to receive your loan deficiency payment. You are reminded that the CCC-633 EZ, page 1 **must** be filed before losing beneficial interest in the applicable crop.

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